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MEMORANDUM

To: Reporters and Editors
Re: New leadership at Red Cross
Da: Wednesday, April 18, 2007

Sen. Chuck Grassley, ranking member and immediate past chairman of the Committee on Finance, with jurisdiction over taxes, has worked to reform governance practices of tax-exempt organizations such as the American Red Cross. Last month, the Senate passed Grassley's legislation to reform the Red Cross, developed with the organization's leadership and initiative. This week, the House passed a nearly identical version of the legislation. Grassley also is a long-time watch dog of the Internal Revenue Service (IRS). He made the following comment on today's announcement that IRS Commissioner Mark Everson will become the head of the American Red Cross.

"Mark Everson gets good marks for his leadership in reforming the tax-exempt community. He understands that tax exemption is a privilege for which recipients have to be held accountable. His help in identifying the biggest abusive tax practices in the non-profit community has helped the Finance Committee shut down many of those abuses. He'll be good at holding the Red Cross accountable for its tax exemption. Since he's had to manage with tight resources, I hope he'll also be good at extracting the maximum value from every Red Cross donation. I got into Red Cross oversight in the first place because people who donated \$5 and \$10 after Sept. 11 were concerned that their donations were sitting in the bank and not helping Sept. 11 victims' families. The Red Cross needs someone who understands that handling donations well is a huge responsibility. It needs a leader who appreciates that public service and accountability go hand-in-hand. As the IRS commissioner, Mr. Everson was constantly called before Congress, including the Finance Committee, to account for the agency's actions. His sense of accountability, his energy, and his respect for institutions while being reform-minded are all attributes the Red Cross needs. The institution gathered some moss over the years, but it's working to change. It needs a leader to guide that change. Mark Everson is a good choice. The Red Cross board has done well with his selection."